

- 1 Q Okay. Anybody else?
- 2 A I could check with Gary, but no, that's the -- those
- 3 are the two that I know of off the top of my head.
- 4 Q So nobody in the -- within the last -- nobody anytime
- 5 recently has made any comment to you about it one way
- 6 or another that.....
- 7 A No, it wouldn't have.....
- 8 Qthat they're doing that?
- 9 Ait wouldn't have come up in the last six months
- 10 because this is a political year.
- 11 Q Okay. When Scott Cunningham made that comment to you
- 12 within the last two years, you know, could be two years
- 13 ago, did you still sell him some ads?
- 14 A Yes.
- 15 Q Okay. So it didn't hurt you at all.
- 16 A Well, yes, it did, because I had to make the package
- 17 comparable.
- 18 Q Okay. And how about Mike Sweeney, did you sell him
- 19 advertising also?
- 20 A Yes, I did.
- 21 Q Who -- what's the name of the wireless company that
- 22 refused to advertise with you because of this
- 23 proceeding?
- 24 A Kodiak Wireless.
- 25 Q Who'd you talk to?

- 1 A Jeff somebody, I don't remember his last name.
- 2 Q And how long ago was that?
- 3 A Last contact I had with him was just before Comfish in
4 April.
- 5 Q April of this year?
- 6 A April of this year.
- 7 Q So have they ever advertised with you?
- 8 A Yes. They were advertising with us just prior to --
9 prior to the conversation I had with him and the local
10 radio station out there had contacted them and informed
11 them of what was going on and it was shortly after that
12 they decided that they would -- they chose not to
13 advertise with us.
- 14 Q So they've not advertised with you since?
- 15 A No, they have not.
- 16 Q And what approximately -- what amount of money
17 approximately did you make off of their advertising?
- 18 A Somewhere in the range of about \$1,500.00.
- 19 Q \$1,500.00 total?
- 20 A Total before they cancelled, yes. Actually it was --
21 the time order had expired and I went back in for
22 renewal and they had decided that they didn't want to
23 advertise with us.
- 24 Q So they had advertised with you once before, you had
25 one time order from them.....

- 1 A That's when.....
- 2 Qprevious to that conversation?
- 3 A No ma'am, that was prior to us going back on the air in
- 4 Kodiak. Previous to that I had -- they used to spend
- 5 anywhere from \$300.00 to \$500.00 a month.
- 6 Q And when did they do that?
- 7 A When we were on the air in Kodiak previously. Kodiak
- 8 Wireless is a new division of Kodiak Electric
- 9 Association and KEA advertised with us all of the time.
- 10 Q Have you approached Kodiak Wireless since April?
- 11 A No, I have not.
- 12 Q Okay.
- 13 A That was just prior to the conversation that Mr. Becker
- 14 and I had about just maintaining the status quo until
- 15 we found out what was going on because he didn't want
- 16 to build an audience and -- and then have all that
- 17 jerked out from underneath the -- the community out
- 18 there again.
- 19 Q Okay. Well what other companies have refused to
- 20 advertise with you because of this proceeding?
- 21 A It's not so much refused as -- as much as it is they
- 22 found out about it and then we saw budgets that were
- 23 cut because budgets were spread between the two
- 24 stations rather than just being left with our radio
- 25 group. Go ahead.

1 Q I'm sorry, go ahead.

2 A To what extent that has happened I cannot tell you. I
3 can't tell you that they took X number of dollars and
4 put it over here because they don't tell me that. But
5 what I see is Safeway. I had an order in place for
6 Safeway. Safeway found out about the proceedings that
7 were going on, they came back, they cut their order and
8 for -- they had placed the order then came back,
9 revised the order and just bought one station which was
10 KPEN for the Kenai Soldotna market, whereas before they
11 were looking at two, possibly three stations, but they
12 decided that since that's where their store was they
13 wanted to make sure that their advertising was still on
14 the air in the event that the translators went silent.

15 Q And when did that occur?

16 A About this time last year.

17 Q Subsequent to -- let me -- strike that. How do you
18 know that they heard about the FCC proceeding and that
19 the FCC proceeding is what -- the reason that they made
20 that decision?

21 A Because the client told me.

22 Q Okay. Who?

23 A Kim Calderon.

24 Q Kim who?

25 A Kim Calderon.

1 Q Can you.....

2 A C-A-L-D-E-R-O-N.

3 Q Okay.

4 A With Dailey and Associates out of Los Angeles.

5 Q That's the advertising agency?

6 A Correct. For Safeway. And Nerland Agency out of

7 Anchorage.

8 Q Wait a minute. Spell it for me.

9 A Nerland, N-E-R-L-A-N-D, Agency.

10 Q Who at that agency?

11 A It was either Lori Caup, last name L-O -- first name L-

12 O-R-I, C-A-U-P. And I'm trying to think of the other

13 girl. Cathy Norford, N-O-R-F-O-R-D.

14 Q And what did they tell you?

15 A That they had received the fax and they were

16 questioning whether or not we were going to continue

17 being on the air or not because they had some buys that

18 were coming up. And when I told them what was going on

19 and -- and my assertion as to what the situation was

20 they told me that they would take it under advisement

21 and would get back to us. And we saw buys shortly

22 after that, but how much, you know, that -- that fax

23 and those proceedings had in relation to that I

24 couldn't tell you. I do know that they used to spend

25 about \$2,500.00 a year with us -- I mean \$2,500.00 a

1 month with us and they're currently spending about
2 \$1,500.00 a year now. And I firmly believe that it's
3 due to some of the questions that have been raised.

4 Q But you don't know that, do you?

5 A No, but based on the conversations that I've had with
6 the agency and then the cuts coming shortly after that
7 it's just a natural assumption to make I guess.

8 Q But you told me, for example, that a lot of national
9 companies have cut their advertising since 9/11,
10 they've cut their advertising budgets. Do you
11 recall.....

12 A This was prior -- this was prior to that.

13 Q Do you recall telling me that?

14 A Yes, I do.

15 Q So you don't know if they've cut their budget or what
16 the circumstances are, do you?

17 A The -- the -- the -- to answer your question, no, I
18 don't know that. But the case in question with the
19 McDonalds issue, with the Nerland Agency, was prior to
20 9/11.

21 Q Now is the Nerland Agency McDonalds?

22 A Nerland Agency handles Peninsula McDonalds, yes.

23 Q Oh, okay. Hold on.

24 A As well as ACS Wireless and several other accounts.

25 Q Any others?

- 1 A I -- not off the top of my head.
- 2 Q Okay. The newspaper articles that you were asked about
- 3 by Mr. Southmayd.
- 4 A Uh-huh (affirmative). Yes ma'am.
- 5 Q No one from the FCC was quoted in any of those
- 6 articles, is that correct?
- 7 A Not directly, no. They were -- they were orders that
- 8 were handed down that were quoted.
- 9 Q Okay. So there were no people, specific people quoted,
- 10 were there?
- 11 A No, not to the best of my knowledge.
- 12 Q And in the newspaper articles, didn't those articles
- 13 contain statements from Mr. Becker in rebuttal?
- 14 A He was interviewed, yes.
- 15 Q Yes. And when he was interviewed -- he was quoted in
- 16 the paper, wasn't he?
- 17 A I believe so, yes.
- 18 Q And in each case he indicated that he was being wronged
- 19 by the FCC, didn't he?
- 20 A I don't think it was so much that he was saying he was
- 21 being wronged by the FCC as much as it was that he had
- 22 not had his day in court.
- 23 Q And who does he blame for that?
- 24 A Ultimately I guess the FCC.
- 25 Q Okay. So basically Mr. Becker got to tell his story

1 and got it in print through these newspaper articles.

2 A Toward the tail end he did. The first four or five
3 times -- I shouldn't say four or five times because I
4 don't know exactly how many times it's happened, but
5 the -- the first couple of articles that had come out
6 were very derogatory and very slanted. And he
7 basically had informed the individual that was doing
8 the interview that if the articles were going to
9 continue to be of that nature then he wasn't going to -
10 - to even comment. And the individuals that have done
11 them since then have done a fairer job of reporting,
12 yes.

13 Q So they were slanted as far as PCI is concerned?

14 A No, they were slanted pretty much basically the same
15 way that the letters that have been printed by John
16 Davis in the paper have been slanted. They basically
17 came right out and said that he was operating
18 illegally.

19 Q And.....

20 A Not.....

21 Qyou don't think he's operating illegally,
22 therefore.....

23 A I wouldn't still be here.....

24 Qthat was a lie to you.

25 A I wouldn't say it was a lie, I think it's a -- no, I

1 wouldn't call it a lie, I think it's -- it's.....

2 Q Then how would you characterize it?

3 A Well, anytime -- my opinion on the whole thing is is
4 anytime you get in a court of law anything's open to
5 interpretation and I think that in this particular case
6 you guys have one interpretation of the law and Mr.
7 Becker has a different interpretation of that law and
8 that's why it's going to the extent that it has is
9 because nobody has really been able to determine what
10 the definition of that law is.

11 Q How often have these newspaper articles been -- when
12 did they occur and how often have they occurred?

13 a Typically right after a release from the FCC.

14 A So when was the last one?

15 A Well, let me put it to you this way, the -- we usually
16 wind up getting our notice after the article breaks in
17 the paper, so.

18 Q So when was the last one?

19 A Just prior to me leaving on vacation or thereabouts.

20 Q When was that?

21 A I left in July so sometime between May and June,
22 somewhere right around in there.

23 Q When was the first one?

24 A A couple years ago now.

25 Q You just indicated to Mr. Southmayd that PCI's revenues

1 were down 20 to 40 percent because of the FCC
2 proceeding. Do you recall saying that?

3 A Yes.

4 Q When I asked you about revenues you indicated to me you
5 couldn't answer any of my questions about revenue. So
6 how can you say they're down 20 to 40 percent if you
7 don't know what the revenues are?

8 A I don't, that's -- and that -- I thought I made that
9 clear earlier on, I don't know what the revenues are.
10 And when Mr. Southmayd asked me I specifically said
11 that's not an area that I'm responsible for, it's -- I
12 don't take care of the bookkeeping, I don't keep track
13 of that. He asked my opinion and I gave my opinion.

14 Q I asked you specifically what you estimated the Kodiak
15 loss of revenue would be if you lose the -- well, no I
16 di -- take that back, strike that. I asked you
17 specifically about estimated loss of revenue earlier in
18 my questions and you were unable to answer me.

19 A Uh-huh (affirmative).

20 Q But yet you just said that you think that the Kodiak
21 market has lost several \$100,000.00 due to negative
22 publicity.

23 A From the very beginning of this whole thing, yes.

24 Q Okay. Now you've told me that one of the reasons
25 there's less revenue in Kodiak is because Mr. Becker

1 has determined that he does not want to try to sell
2 advertising in Kodiak at this time.

3 A No -- well, yes and no. His comment to me was is
4 basically we can't afford to be sending me out there to
5 build a base and to build revenue in Kodiak and -- and
6 then have, you know, the proceedings go against us and
7 us lose that market, he did not want me putting that
8 inv -- that effort into rebuilding something out there
9 that we may or may not have.

10 Q I understand that. And tell me how that differs from
11 what I just said.

12 A What did you say?

13 Q I said didn't you tell me that Mr. Becker has made a
14 decision not to go after sales -- advertising sales in
15 Kodiak at this time?

16 A Well, the difference being is is that you're looking at
17 it from a dollar and cents standpoint and the fact that
18 you're saying that he's -- that his purpose is to be
19 there to generate sales. And he's looking at it from
20 not only that standpoint but he's looking at it from
21 the standpoint of the community as well. He does not
22 want to -- when we went off the air out there the first
23 time when they tore down the White Alice site our phone
24 lines rang off the hook with people wanting us back on
25 the air. He did not want to get into a situation where

1 he gave them false hope within the community that we
2 were going to be back there and -- and doing all of
3 this stuff and then have that all jerked out from
4 underneath them.

5 Q Mr. Coval, please just answer the question as I ask it.
6 Hasn't Mr. Becker told you not to pursue advertising
7 sales in Kodiak at this time?

8 A No.

9 Q Okay. Are you actively trying to sell advertising in
10 Kodiak at this time?

11 A I have several clients on the air in Kodiak, I am not
12 currently making trips to Kodiak to actively sell to
13 that market.

14 Q So if someone contacts you or if it's an old client
15 that has a standing order you'll take care of them.....

16 A Yes ma'am.

17 Qis that basically right?

18 A Yes ma'am.

19 Q But you aren't going out trying to get business in
20 Kodiak, are you?

21 A Not actively going out there.....

22 Q Okay.

23 Ato do so, no.

24 Q And don't you think that that affects the amount of
25 revenue that you have coming in from Kodiak?

1 A Yes.

2 Q Okay. And what -- I'm also interested because you've
3 indicated to Mr. Southmayd that there has been at least
4 \$100,000.00 of lost revenue in that market due to
5 negative publicity. Before the negative publicity came
6 around what was the revenue being generated in that
7 market?

8 A I don't know.

9 Q How can you say then that there's \$100,000.00 lost?

10 A Because I was asked my opinion.

11 Q And based on that, your opinion, what was the revenue
12 generated before the negative publicity showed up?

13 A I know when Glenn was out there prior to me taking over
14 as General Sales Manager I've heard figures of
15 \$100,000.00 to \$120,000.00, \$150,000.00 in good years
16 in revenue. There's a lot of things that have changed
17 since then within that market. But when I took over as
18 Sales Manager I think the first year, that was during
19 that year that the White Alice site was tore down, I
20 saw about \$6,000.00 in revenue.

21 Q Do you remember me asking you if you had been told when
22 you took over that area if you'd been given any figures
23 as to what could be expected, what kind of income or
24 revenues could be expected to be generated from that
25 territory and you told me no, you were not told

1 anything?

2 A Not specifically.

3 Q You don't remember that testimony?

4 A No, I -- well, yes and no. I -- I -- rephrase the

5 question for me please.

6 Q Do you recall me asking you whether or not you were

7 ever given any indication of what the potential revenue

8 to you or revenue to PCI was in the Kodiak area back

9 when you were going to take over from the Sales

10 Manager? Do you recall that testimony?

11 A Yes.

12 Q Do you recall telling me that you came along about the

13 time the antennas were torn down.....

14 A Uh-huh (affirmative).

15 Qand there wasn't going to be much because of that?

16 A Uh-huh (affirmative).

17 Q And I said yes, but did the prior Manager give you any

18 indication about revenues or commissions, either one,

19 and you told me no?

20 A No, Glenn had not given me any indication as to what he

21 had made in the market.

22 Q So where do you get the \$100,000.00 to \$120,000.00?

23 A Just station talk, that that's what that area had

24 generated. In sales those types of things go in one

25 ear and out the other because of the simple fact that

1 there are so many variables involved. You know, when
2 you're taking a sales position they'll always tell you
3 the best numbers because they want you to think that
4 that's what you can obtain. So.....

5 Q And what do you mean by station talk, who told you?

6 A I don't remember, we're talking six years ago now.

7 Q So does.....

8 A Over six years ago now.

9 Q People that work at the station generally just talk
10 about how much money's being made in certain areas?

11 A No. No, I don't know where I heard it. But I know it
12 was through the station.

13 Q But you have no basis for knowing it, it's just a rumor
14 that you've heard basically, is that correct?

15 A It's probably something that I heard from Dave Becker
16 through the course of conversation as to what revenue
17 used to be pulled out of Kodiak adverse to, you know,
18 lost income. But I can't.....

19 Q Well, that's very interesting because we've.....

20 A I can't say that for sure.

21 Q we've been asking what the revenues are and we
22 keep getting told that it's -- you're unable to
23 determine what the revenues are from these various
24 areas. So now you're saying that evidently.....

25 A I'm sorry, who told you that?

1 Q Mr. Becker.

2 A Okay.

3 Q So now you're saying that evidently PCI is able to
4 determine how much revenue is generated by those
5 translators.

6 A Well, once again, I must reiterate that you're asking
7 me to -- to speculate and that's all you and Jeff have
8 asked me to do is speculate on what I think is going on
9 in those areas. I do not handle the books, I do not
10 know what goes on as far as the bookkeeping and what
11 revenue is generated from what area. That -- my job is
12 basically sales.

13 Q And you speculated for Mr. Southmayd and I want to know
14 the basis for your speculation. I want to know where
15 you're getting these figures that are coming -- you
16 know, that you're talking about.

17 A From what I've heard basically around the station from
18 previous conversations, I don't -- I can't say that any
19 one person at one particular point in time has ever
20 said what it was that we did or did not make in -- in
21 that area prior to my taking over.

22 Q So it's rumor.

23 A I guess you could say it's rumor, yes.

24 Q Okay. You also told Mr. Southmayd that the FCC
25 proceeding is a factor in your leaving PCI.

1 A Yes.

2 Q Do you recall saying that?

3 A Yes, I do.

4 Q When I asked you why you were leaving PCI I believe you
5 stated that you didn't know now whether you were even
6 going to leave.....

7 A Uh-huh (affirmative).

8 Qbut that you -- and your family had contemplated
9 leaving because of -- you wanted to be closer to your
10 families, particularly since they had health concerns.
11 Do you recall that testimony?

12 A Yes, I do.

13 Q You didn't say a thing about this proceeding being a
14 factor in your leaving.

15 A Mr. Southmayd I believe asked me if this is one of the
16 reasons why I had considered leaving.

17 Q Okay. And how does this affect your decision to leave
18 or stay?

19 A Well, where to even begin on that one. I come into
20 work in the morning and not only do I have to deal with
21 making sales but I have to work on collections because
22 cash flow is down at the station. So in addition to
23 trying to make new sales and keeping sales up I'm
24 responsible for collections on accounts that are mine
25 as well as aren't mine, doesn't seem to matter, it

1 falls on my desk. I make a sale, it takes me six weeks
2 to make a sale. I no sooner make the sale and I have
3 the agency or the client calling me and demanding to
4 know why I didn't tell them about this proceeding
5 that's going on and how is that going to affect their
6 advertising. You know, and then I wind up seeing the
7 sale that I worked so hard for reduced from what it was
8 because it's being split between -- what I'm assuming
9 between two stations, they call and they say what's
10 going on and then I tell them and then I get a revision
11 on that order that says that, you know, it's now half
12 the money that it used to be. The pressures of not
13 knowing whether or not I'm going to have a job from day
14 to day. And going out into the community and having to
15 listen to my clients ask me every time something like
16 this comes out if this is it, you know, should they
17 start looking to place their money elsewhere for
18 advertising or whatever else. It gets depressing after
19 awhile. And every chance that John Davis has had he's
20 tried to nail another -- put another nail in the coffin
21 as far as K Wave and KPEN are concerned. And quite
22 honestly I'm tired of the constant fighting and
23 bickering.

24 Q Okay.

25 A It affects my ability to do my job. In addition to

- 1 that we saw that both out parents' health were failing
2 and we looked into the -- the possibility of leaving
3 due to that.
- 4 Q Okay. I believe I asked you earlier which clients had
5 refused to advertise or -- with you because of this
6 proceeding and you mentioned.....
- 7 A Kodiak Wireless.
- 8 Q Kodiak Wireless, Safeway you mentioned you thought
9 reduced their order because of.....
- 10 A Correct.
- 11 Q this and Peninsula McDonalds and Nerland Agency.
12 What other clients have you had a problem with -- has
13 this been a problem with?
- 14 A Kenai Chrysler Center, with BBDO.
- 15 Q One minute. What's BBDO?
- 16 A It's an ad agency out of Los Angeles.
- 17 Q Who'd you talk to there?
- 18 A Mita (ph) Queto, Q-U-E-T-O.
- 19 Q And when was that?
- 20 A Last year.
- 21 Q They place any advertising with you?
- 22 A This year they did. Last year they placed \$100,000.00
23 worth of advertising and cut it all.
- 24 Q Did it come back this year?
- 25 A Yes.

- 1 Q Anybody else?
- 2 A Not off the top of my head, no.
- 3 Q Okay. If you're doing collections for the ad then you
4 should have some idea of what kind of in -- revenues
5 are, shouldn't you?
- 6 A I know basically what's outstanding on some of the
7 accounts, but I don't take the time to add them all up,
8 no.
- 9 Q Can you make an educated guess based on what you've
10 seen on all these accounts as to what the revenues are?
- 11 A No, because I see different lists at different points
12 in time. I mean I might see a list of two or three
13 that are fairly substantial outstanding accounts and
14 then I might see one that's 120 days and out. I mean
15 there's different variables, it's not like I see the
16 same list all of the time.
- 17 Q What other employees have -- has PCI lost because of
18 this proceeding?
- 19 A Jim Childers was hired on and he just didn't want to
20 deal with having to make the explanations all of the
21 time so he left.
- 22 Q Where did he go?
- 23 A I don't know. I don't know if he's.....
- 24 Q He's not still in this area?
- 25 A He was in Anchorage last I heard. But he has family

1 down here so he might be back on the peninsula by now,
2 I don't know.

3 Q Anybody else?

4 A I don't think Dan really qualifies, I think he was just
5 kind of looking for a fill in job before he left,
6 Daniel Meeks. So I can't really say that he left
7 because of the proceedings.

8 Q Jim Childers have any other complaints?

9 A No.

10 Q Okay.

11 A No. Kelly Leavitt is leaving us and he's moving up to
12 Wasilla. He claims family problems.

13 Q Moving to where?

14 A Wasilla.

15 THE REPORTER: W-A-S-I-L-L-A.

16 Q And that's Leavitt, L-E-A-V-I-T-T?

17 A I believe so. Kelly's been with us, gosh, 14, 15
18 years. At least, probably even longer than that now.

19 Q What's he do?

20 A DJ.

21 Q And he said that he's moving because of this
22 proceeding?

23 A No, he's -- I've talked with Kelly on several occasions
24 and -- and morale at the station isn't real high
25 because of everything that's going on. And combined

1 with his family situation at home. I think he's just
2 looking for a change of -- change of places too.

3 Q Anybody else?

4 A Well, I turned in my resignation in April. Dave
5 wouldn't accept it, but I had turned it in.

6 Q And you said that you're now reconsidering that.

7 A Yeah.

8 Q So I want to go back to this revenue. You're talking
9 about -- the FCC, you told Mr. Southmayd that the FCC
10 proceeding has hurt the business of the station and you
11 estimated the impact of -- to be somewhere between
12 seven to -- four to seven degrees. Well, seven's
13 pretty severe, seven out of 10. And what's your basis
14 for making that estimate?

15 A Well, every time an article hits the paper it's about a
16 seven. My phone rings off the hook and I can't do
17 anything for two or three days but calm everybody's
18 fears. At that point in time it's -- it's about a
19 seven in my opinion because I'm not able to do the job
20 that I have to do, or that I'm hired to do, because I'm
21 justifying everybody that's currently on the air
22 staying on the air and trying to talk them into doing
23 that. Other times it's nothing more than a
24 inconvenience. But, you know, there again, you're
25 trying to -- at different points in time its affected

1 the station differently.

2 Q Well, I think -- my understanding of Mr. Southmayd's
3 question to you was how it's impacted the revenue of
4 the station.

5 A And there again, from four to seven depending on --
6 when a story breaks in the paper and I'm not able to
7 handle new accounts and -- and make new sales because
8 I'm justifying what's already on the air, I think that
9 that pretty much affects the income and the revenue of
10 the station. If I lose three, four, five days of
11 potential selling time because I'm having to go back
12 and -- and reassure everybody, that affects the revenue
13 that's coming into the station.

14 Q So how much money do you anticipate total figure has
15 been lost due to negative publicity of this proceeding?

16 A I don't know and I'm not going to go there. I haven't
17 a clue.

18 Q I can agree with your last statement. On the money,
19 I'm not trying to be ugly. Anything else?

20 MR. SOUTHMAYD: I have one clarification.

21 RECROSS EXAMINATION

22 BY MR. SOUTHMAYD:

23 Q Terry, you indicated that -- in response to some
24 questions on follow up that you've had collection --
25 was it collection problems or collection duties?

1 A Duties.

2 Q Has it been your -- based on your experience and your
3 tenure there at the station has it been your experience
4 that this proceeding has had any sort of impact on your
5 ability to collect revenue?

6 A I would have to say no. It's just a matter of -- of
7 getting a hold of the people. You know, basically what
8 we've been able to weather in the past we can't weather
9 now. When a client, you know, owes \$9,000.00 or
10 \$10,000.00 we can't wait for them to pay that, we have
11 to go out and request payment in order to have that
12 revenue in house.

13 Q Why, what's changed?

14 A The amount of money that's in the bank.

15 Q And why has that changed?

16 A Well, because of the proceedings that have been going
17 on in my opinion. We didn't have the problem before
18 they all started.

19 Q Okay, thanks.

20 FURTHER REDIRECT EXAMINATION

21 BY MS. LANCASTER:

22 Q Do you not think that the economy might have some
23 affect on your percentage of accounts that go into
24 collection?

25 A No. No, I don't.

1 Q I have one other question if, Jeff, you'll allow me a
2 li -- well, it's not a recross but I just.....

3 MR. SOUTHMAYD: Sure.

4 Qhappened to think of it. Why doesn't -- what is
5 your understanding of why PCI did not try to build a
6 full power station in Kodiak? I know you stated
7 earlier that there was no need before all this stated.
8 But since all this FCC proceeding started why didn't
9 they then go put one there?

10 A It's my understanding that there's been a freeze on --
11 on translators and transmitters. I'm not sure. It
12 seems to me the FCC was moving from one location to
13 another in Washington, D.C. and we had actually applied
14 for some translator permits in I believe it was
15 Unalaska for the Alaska Village Missions and Moody
16 Network out there, and they were froze for two years
17 during the process.

18 Q But I'm talking about a full power station, not a
19 translator.

20 A I don't know. That's not a question I could answer, I
21 don't know.

22 Q Okay.

23 MS. LANCASTER: Okay. I have no further questions.

24 MR. SOUTHMAYD: Thanks. We reconvene at -- in an hour?

25 MS. LANCASTER: Yeah, I got to go check out of the

1 hotel.

2 MR. SOUTHMAYD: Oh. So.....

3 THE REPORTER: Hope it doesn't take you an hour.

4 MS. LANCASTER: No. I hope not.

5 THE REPORTER: Are we ready to go off record?

6 MS. LANCASTER: Yes.

7 THE REPORTER: Okay. Off record.

8 (Deposition adjourned at 11:50 a.m.)

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1 I have read the foregoing pages 180 through 290,
2 and they are a true and accurate record of my
3 testimony therein recorded, and any changes and/or
4 corrections appear on the attached errata sheet
5 signed by me.

6 _____
7 TIARNAN COVAL

8
9 Subscribed and sworn to before me
10 this ____ day of _____, 2002.

11 _____
12 Notary Public

13 My Commission expires: _____
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JURISDICTION: _____

Before me, the undersigned authority, personally appeared Tiarnan Coval, who, after being duly sworn states that he has read the foregoing deposition transcript, and states that he wishes to make the following changes or corrections to this transcript for the following reasons:

PAGE	LINE	CHANGE	REASON FOR CHANGE
------	------	--------	-------------------

The witness states that the deposition transcript, pages 180 through 290, is otherwise true and accurate.

Subscribed and sworn to before me
this _____ day of _____, 2002.

Notary Public

My Commission Expires: _____

REPORTER'S CERTIFICATE

FCC DOCKET NO.: 02-21


CASE TITLE: Peninsula Communications, Inc.

HEARING DATE: August 15, 2002

LOCATION: Kenai, Alaska

I hereby certify that the proceedings and evidence are contained fully and accurately on the tapes and notes reported by me at the hearing in the above case before the Federal Communications Commission.

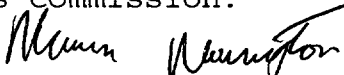
Date: 8/15/02


Merriam Warrington
Official Reporter
Heritage Reporting Corporation
1220 L Street, N.W., Suite 600
Washington, D.C. 20005-4018

TRANSCRIBER'S CERTIFICATE

I hereby certify that the proceedings and evidence were fully and accurately transcribed from the tapes and notes provided by the above named reporter in the above case before the Federal Communications Commission.


Date: 8/15/02


Merriam Warrington
Official Transcriber
Heritage Reporting Corporation

PROOFREADER'S CERTIFICATE

I hereby certify that the transcript of the proceedings and evidence in the above referenced case that was held before the Federal Communications Commission was proofread on the date specified below.

Date: 8/15/02


Carlos Gamez
Official Proofreader
Heritage Reporting Corporation